



PUBLIC NOTICE

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GUIDANCE REGARDING LICENSE ASSIGNMENTS AND TRANSFERS OF CONTROL DURING THE REVERSE AUCTION, AUCTION 1001

AU Docket No. 14-252
GN Docket No. 12-268
WT Docket No. 12-269

1. This Public Notice provides guidance regarding reverse auction participation by parties to pending transactions involving broadcast television licenses. In the *Auction 1000 Prohibited Communications PN*,¹ the Wireless Telecommunications Bureau waived the bar on the assignment of a license in, or transfer of control of an applicant for, the reverse auction, provided that (1) the assignment or transfer application has been accepted for filing as of January 12, 2016, the reverse auction application filing deadline, and (2) the assignee or transferee agrees to be bound by the original applicant's actions in the auction with respect to the license(s). Thus, subject to these two requirements and Commission approval, assignments and transfers involving participating licensees may be consummated during the reverse auction.

2. Reverse auction participants will utilize the FCC Registration Number (FRN) and related password associated with a station to access the application and bidding systems (collectively, the Auction System) with respect to that station.² In order to ensure stable FRN data for the reverse auction, we have frozen the FRN data in the Auction System as of December 8, 2015, the opening date for the reverse auction filing window.³ An assignee/transferee in a pending transaction that is approved and consummated from December 8, 2015, through the completion of the auction will therefore have two options if it wishes to bid to relinquish the spectrum usage rights of a station covered by such a transaction. First, it may contractually designate the assignor/transferor as its bidding agent with respect to the covered stations.⁴ Second, the parties to the transaction may agree that the assignee/transferee will

¹ *Guidance Regarding the Prohibition of Certain Communications During the Incentive Auction, Auction 1000*, DA 15-1129, para. 23 (WTB rel. Oct. 6, 2015) (*Auction 1000 Prohibited Communications Guidance PN*).

² See *Application Procedures for Broadcast Incentive Auction Scheduled to Begin on March 29, 2016, Technical Formulas for Competitive Bidding*, AU Docket No. 14-252, GN Docket No. 12-268, WT Docket No. 12-269, Public Notice, DA 15-1183, para.16 (WTB rel. Oct. 15, 2015). FRNs may be associated with one or more stations. For example, if three broadcast television stations are licensed to the same licensee, each station may have its own FRN, or the same FRN may be associated with all three stations.

³ Upon notice of consummation of an assignment or transfer, an FRN will be associated with the stations involved in the transactions for licensing and other non-auction purposes, but the Auction System will recognize only the FRN in effect as of December 8, 2015, for participating licensees and stations.

⁴ Prior to the beginning of the prohibited communications period on January 12, the assignee/transferee can provide written bidding instructions to the assignor/transferor for this purpose.

use the FRN and password associated with assigned or transferred stations as of December 8, 2015 (the “auction FRN”) for purposes of applying for and participating in the reverse auction with respect to the covered stations.⁵ The parties must elect one of these options prior to beginning of the prohibited communications period on January 12 and inform the Commission which option they have elected. Alternatively, the parties may wait until after the auction to seek approval and consummate the transaction.

3. With regard to the second option, the auction FRN and password will also provide access to the assignor/transferor’s data in Commission licensing and other systems associated with that FRN.⁶ We note, however, that the assignor/transferor may obtain a new FRN and password for the stations that it retains in order to prevent the assignee/transferee from accessing the information related to those stations in the FCC’s licensing and other non-auction systems. Additionally, the auction FRN and password will provide access to the assignor/transferor’s bidding information for any stations associated with the auction FRN. Thus, if a transaction involves some but not all of the licenses associated with the auction FRN, the assignee/transferee and the assignor/transferor would both have access to the same bidding information regarding all of the licenses associated with that auction FRN that are in the reverse auction.⁷

4. Approval of any pending transaction described in paragraph 1 will therefore be conditioned on the parties’ express agreement to one of the options set forth above, effective upon consummation, as well as the parties’ acknowledgment that the Commission is not liable for their use of any systems or information accessed as a result of a shared FRN and password under the second option. The parties may also want to contractually limit the assignee/transferee’s right to access and/or use any such systems or information. Finally, parties to license assignments or transfers of control are reminded that they are subject to the rule prohibiting communication of an incentive auction applicant’s bids and bidding strategies.⁸

5. For further information, contact David Brown at (202) 418-1645 or david.brown@fcc.gov; or Dorann Bunkin at (202) 418-1636 or dorann.bunkin@fcc.gov.⁹

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⁵ For purposes of bidding, this would be accomplished by making the assignee/transferee an authorized bidder on the assignor/transferor’s Form 177. If none of the stations covered by a transaction are participating in the auction, the auction FRN need not be shared with the assignee/transferee. In that case, the assignee/transferee would use the FRN associated with the stations upon consummation of the transaction. *See* n. 3, *supra*.

⁶ These systems include but are not limited to the Licensing and Management System (LMS), the Universal Licensing System (ULS), and the International Bureau Electronic Filing System (IBFS).

⁷ If the transaction involves all of the licenses associated with an FRN, there will be no shared access to bidding information but the assignee/transferee utilizing the second option to participate in the auction with respect to some or all of the covered stations will still have access to the assignor/transferor’s data in Commission licensing systems associated with the auction FRN.

⁸ *See generally Auction 1000 Prohibited Communications Guidance PN*. Any shared access to bidding information in the Auction System under the second option above would result from the freezing of the FRN data in the Auction System, and therefore would not constitute communication by either of the parties within the meaning of the rule.

⁹ This Public Notice is being issued pursuant to section 0.31 by the Wireless Telecommunications Bureau, which is a member of the Incentive Auction Task Force. 47 C.F.R. § 0.31. *See Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*, GN Docket No. 12-268, Report and Order, 29 FCC Rcd 6567, 6574, para. 15 (2014) (“*Incentive Auction R&O*”) (directing Bureau to address routine auction procedures).